

REFERENCE TITLE: **federal excise tax; telecommunications; repeal**

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Representatives Gorman, Burges, Mason, Pearce, Senator Burns:
Representatives Biggs, Carpenter, Gallardo, Groe, Lujan, McLain, Murphy,
Nelson, Weiers JP

A CONCURRENT MEMORIAL

URGING THE UNITED STATES CONGRESS TO REPEAL THE FEDERAL EXCISE TAX ON
TELECOMMUNICATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 To the Congress of the United States of America:
2 Your memorialist respectfully represents:
3 Whereas, the federal excise tax on communications was enacted in 1898
4 for the purpose of funding the Spanish-American War; and
5 Whereas, the tax was introduced as a "temporary" luxury tax; and
6 Whereas, telephone service is no longer a luxury, but rather a
7 necessity for consumers of all income levels; and
8 Whereas, the federal excise tax is regressive, as low-income Americans
9 pay a higher percentage of their income for telephone services than
10 high-income Americans; and
11 Whereas, telecommunications services are the infrastructure on which
12 new technologies including the Internet depend, and therefore the
13 telecommunications excise tax discourages expansion of both the telephone
14 infrastructure and new technologies; and
15 Whereas, the federal excise tax on telecommunications flows into the
16 general fund, rather than being earmarked for a specific purpose; and
17 Whereas, in 2000, both houses of Congress passed a repeal of the
18 federal excise tax on telecommunications, which was vetoed by President
19 William Jefferson Clinton.
20 Wherefore your memorialist, the House of Representatives of the State of
21 Arizona, the Senate concurring, prays:
22 1. That the Congress of the United States repeal the federal excise
23 tax on telecommunications.
24 2. That the Secretary of State of the State of Arizona transmit copies
25 of this Memorial to the President of the United States Senate, the Speaker of
26 the United States House of Representatives and each Member of Congress from
27 the State of Arizona.